

Employee Handout

Refund Fact Sheet

ELIGIBILITY REQUIREMENTS

In order to receive a refund you must meet **all** of the following criteria:

- Be separated from the Federal government for at least 31 consecutive days OR be transferred to a position not subject to CSRS or FERS retirement deductions for at least 31 consecutive days;
- File a refund application (CSRS, SF-2802 or FERS, SF-3106) with the Office of Personnel Management (OPM);
- Not be reemployed in a position subject to CSRS or FERS retirement deductions at the time you file your application;
- Not be eligible to receive an immediate annuity within 31 days of separation;
- Not be prohibited from receiving a refund due to a court order; AND
- Notify your current and/or former spouse(s) of the refund request, if applicable.

After reviewing the criteria above, are you still considering applying for a refund of your retirement contributions? It is recommended that you discuss all of the relevant facts with your servicing personnel office before making a final decision. You are not required to withdraw your retirement contributions and may leave the money in the fund until you are eligible for a deferred retirement. In the event of your death, all money in the fund will be payable to your designated beneficiary as a lump sum benefit. Here are some issues that will assist you in making your decision.

REFUNDS MAY BE AN ADVANTAGE

- If you have less than 5 years of civilian service (you must have 5 years to receive an annuity), and you do not intend to return to Federal employment;

OR

- If you have 5 or more years of civilian service, you do not intend to return to Federal employment, and you believe you can invest the funds so that the final value of such investments exceeds the value of the deferred annuity. (At age 62 and applying for a deferred annuity, you may provide a survivor annuity for your spouse.)

CAUTION: Obtaining a refund of FERS contributions permanently voids entitlement to a future annuity for the entire period of service covered by the refund. Refunds of FERS deductions cannot be redeposited.

REFUNDS MAY BE A DISADVANTAGE

- If you have at least 5 years of civilian service and your deferred retirement benefit may exceed the value of the lump-sum refund. It is recommended that when considering taking a refund, the employee first evaluate the potential value of the deferred retirement benefits in comparison to the principle and investment potential of the refund deductions.
- If you are reemployed by the Federal government and wish to receive credit for the refunded service, you may find that regaining the credit may be difficult. For CSRS, a redeposit plus interest will be required. The cost of the redeposit is equaled to the refund received plus interest. Under FERS rules, a refund of retirement deductions made while working under the FERS system, permanently erases or voids this period of service from your retirement record.
- A refund of all deductions voids any retirement options, including survivor benefits until the refund is redeposited (only for CSRS).

Specific to FERS:

- If you receive a refund, you irrevocably lose all future credit for the refunded service. You can never again receive credit for the service you performed as a FERS employee and for which you take a refund of retirement deductions.
- The lump sum credit continues to accrue interest at the market interest rate if a refund is not taken.

REACHED A REFUND DECISION?

If you decide to apply for a refund within 31 days after your date of separation AND you did not receive notice from your payroll office that your retirement records were forwarded to the Office of Personnel Management (OPM) in Boyers, PA, mail your application to your servicing personnel office.

If you decide to apply for a refund more than 31 days after your date of separation **OR** you have received notice from your payroll office that your retirement records were sent to OPM, you must forward your application directly to the appropriate OPM address listed below:

For **CSRS** employees:
Office of Personnel Management
Civil Service Retirement System
(CSRS)
Retirement Operations Center
ATTN: Refunds
Boyers, PA 16017-0045

For **FERS** employees:
Office of Personnel Management
Federal Employees Retirement System
(FERS)
Retirement Operations Center
ATTN: Refunds
Boyers, PA 16017-0200